

**Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 E. 14th Street, Des Moines, IA 50319**

FINAL

February 22, 2012

To ensure the most efficient use of State resources, the February 22, 2012, ITTC meeting had some conference calls pursuant to Iowa Code section 21.8. Conference calls ensure more Commissioners are able to participate in the meeting and reduce the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.

Commissioners Present

Betsy Brandsgard, Chairperson (via teleconference)
Richard Bruner, Member (via teleconference)
Shannon Cofield, Member (via teleconference)
Robert R. Hardman, Member (via teleconference)
Tim Lapointe, Member (via teleconference)
David A. Vaudt, Ex-Officio Member (via teleconference)

Iowa Communications Network Staff Present:

Dave Lingren, Executive Director
Joseph Cassis, Chief Communications Officer
Will Walling, Network Operations and Engineering Director
Phil Groner, Business Services Manager
David Marley, Network Operations and Engineering Manager
Mark Johnson, Administration Director
Jontell Harris, Information Specialist 1
Tami Fujinaka, Government Relation Officer
Alexis Slade, Executive Secretary (Recorder/Minutes)

Guests:

Aaron Beckerman, Iowa Network Services
Joe Coon, Mississippi Bend Area Education Agency 9
Joe Hrdlicka, Iowa Telecommunications Association
John Korkie, Century Link

Call to Order

Commissioner Brandsgard called the meeting to order at 10:30 am. It was noted that a quorum of members was present for the meeting.

Table Approval of the 01/19/12 Meeting Minutes

Chairperson Brandsgard tabled the approval of the January 19, 2012, meeting minutes.

Old Business

Legislative Update – Dave Lingren/Mark Johnson

Lingren spoke before the Infrastructure Appropriations Subcommittee regarding the \$2.2 million equipment appropriation to the ICN and the \$2.7 million Part III leases appropriation that goes to the Department of Education (DOE). Language was included in Senate Study Bill 3181 proposing that the ICN be required to conduct a comprehensive audit to include a complete inventory and estimate of the value of all the components the state has purchased since the creation of the network. The language requires the audit be completed by an independent auditing firm prior to the sale or lease of the network.

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Approved at the March 15, 2012, ITTC Meeting

At this time no funding is provided to the ICN for the audit. If the Bill passes the ICN will need clarification on the definition of an independent asset audit. If it's as simple as providing a list of ICN's inventory and somebody independently putting a value on that, there's minimal cost associated. However, a true audit would involve somebody going to each individual site and identifying the equipment, serial numbers, the ports that are functioning and the age of the equipment. If that were the model then the estimated expenses could be anywhere from \$500,000 to \$800,000.

Q. Has there been a timeframe placed on when the ICN would have to get an audit conducted?

A. No.

Q. For years the ITTC has discussed the possibility of having a separate source of funding for technology; is there any hope for that in the future?

A. There is a technology reinvestment fund that the Legislature makes appropriations from for technology projects. Funds are used for the Department of Administrative Services (DAS) for technology purchasing programs, ICN funding, and Education technology funding, as well as some other line items for other agencies that need technology funding.

ICN made a presentation before the Joint Administration and Regulation Appropriations Subcommittee related to the Regional Telecommunications Councils (RTC) appropriation that the Governor recommended move from Iowa Public Television (IPTV) to ICN to allocate the funds. The Admin Regulation Budget Subcommittee was also briefed on the possible sale or lease of the ICN.

Sale/Lease RFP Update – Dave Lingren

Q. Has there been any public response about the Des Moines Register Article that came out on February 13, 2012?

A. There hasn't been a lot of response to the article.

Q. Do you expect any follow up stories?

A. No.

Now that the Request for Proposal (RFP) Implementation Team (RIT) has convened and all the assumptions for the RFP have been discussed, ICN's next step is to prepare a "bidders library" that will allow bidders to see every detail of the ICN network, all the financial information, outside plant, costs and contracts, etc. The RFP team is ahead of schedule. The plan requires that the RFP is released by January 2013 and the team will probably be ahead of that with a release date closer to November or December 2012.

Private/Public Partnerships Update – Dave Lingren

During the Admin Regulations Subcommittee meeting a House Republican requested that the ICN discuss a possible alternative to selling or leasing the ICN. ICN has a lot of capacity built out in the State and it wouldn't be practical for the private sector to do the same thing. ICN's idea is to create a model where we take that capacity and make it available for the private sector to deliver services in those locations. The private sector can provide services beyond what we provide today, purchase our services on a wholesale basis then sell it in a retail manner. This model would accomplish three things: 1) Keep the authorized users' at an affordable rate, especially in the rural parts of the State; 2) Open up revenue streams for the private sector and create employment opportunities within the state; and 3) Take the State back to a more appropriate role where we're not competing with the private sector.

New Business:

Value Proposition of ICN – Dave Lingren

A rough draft of a white paper has been written to discuss a strategic plan for “ICN 2.0”. The concept is, it’s the same glass but a new ICN that’s not a government encumbered video network, but rather a tax created entity to support and benefit all Iowans and the private sector.

Q. Who is the primary audience for the white paper?

A. The Commission. It will discuss general strategies and the tactical efforts in which the ICN would like to engage.

Meeting with Governor – Dave Lingren

On February 20, 2012, ICN’s Executive Director had a meeting with the Governor to discuss ICN’s strategic plan. The plan was well received because our plans are to become more efficient and reduce the cost of services to the State agencies, which meets the Governors goals. ICN also discussed Senate Study Bill 3181, the Infrastructure appropriations bill that includes the audit language.

Adjournment

Commissioner Lapointe moved that the meeting be adjourned; Commissioner Bruner seconded the motion: With there being no further business, the ITTC meeting adjourned at 11:16 am.

ATTESTED TO:



Betsy Brandsgard, Chair, Iowa Telecommunications and Technology Commission